**Before the**
**FEDERAL COMMUNICATIONS COMMISSION**
**Washington, DC 20554**

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| In the Matter of | ) | |
| | ) | |
| Delete, Delete, Delete | ) | GN Docket No. 25-133 |
| | ) | |

# COMMENTS OF BEASLEY MEDIA GROUP LICENSES, LLC

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## SUMMARY

Beasley Media Group Licenses, LLC encourages the Commission to use the "Delete, Delete, Delete" proceeding to promptly eliminate the Local Radio Ownership Rule, 47 C.F.R. § 73.3555(a). The rule is outdated and unnecessary, and places immense and unfair burdens on America's radio broadcasters as they try to compete with numerous unregulated entities, including Big Tech, that provide audio content and sell advertising in direct competition with radio.

Congress did not intend the market-based ownership limits imposed by the rule to remain static for nearly three decades. When it created the rule in 1996 as part of a major deregulatory push, Congress mandated that the Commission "repeal or modify" ownership limitations such as the Local Radio Ownership Rule when they became unnecessary due to further development in competition. That competition arrived many years ago in the form of audio streaming and digital offerings from tech giants like Amazon, Apple, Meta, and YouTube. Radio is now just one relatively small player in a large, multi-faceted, integrated audio distribution market. In this environment it makes absolutely no sense to consider AM and FM radio to be a separate standalone market. The Commission should act to repeal the rule and fulfill its statutory mandate.

The current ownership limitations are depriving radio of the investment it needs and hampering its ability to innovate and develop additional local content and digital offerings. Radio broadcasters must be allowed to develop the economies of scale they need to compete against the digital giants. The "Delete, Delete, Delete" proceeding offers the perfect opportunity for the Commission to begin the process of promptly eliminating the Local Radio Ownership

Rule so that broadcasters can make the necessary investments to compete with Big Tech on a more level playing field. The viability of America's radio broadcasting industry is at stake.

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In its "Delete, Delete, Delete" proceeding, the Commission "seek[s] public input on identifying FCC rules for the purpose of alleviating unnecessary regulatory burdens."[1] Beasley Media Group Licenses, LLC ("Beasley") encourages the Commission to examine and eliminate the Local Radio Ownership Rule, 47 C.F.R. § 73.3555(a). The rule is outdated and unnecessary, has long outlived its purpose, and threatens the viability of America's free, over-the-air radio broadcasting industry.

## I. THE LOCAL RADIO OWNERSHIP RULE IS AN OUTDATED LEGACY REGULATION WHICH SHOULD BE ELIMINATED.

In 2024, Chairman Carr addressed the danger that obsolete rules pose to broadcasting. He stated:

> [T]he FCC has many legacy regulations on the books that are not only preventing capital from flowing to broadcasters, but are also artificially raising their costs of doing business and forcing them to compete against unregulated Big Tech companies with one hand tied behind their backs….
>
> The FCC can continue down the path of keeping legacy regulations on the books that are plainly doing more harm than good….[o]r…we can modernize our rules, we can eliminate the restraints on broadcasters that no longer make sense in today's media marketplace, and we can

[1] *In Re: Delete, Delete, Delete*, Public Notice, DA 25-219 (rel. Mar. 12, 2025) at 1 ("Public Notice").

> unleash broadcasters to compete on level playing field with their Big Tech competitors.[2]

Beasley owns and operates 56 radio stations in 12 medium and large markets across the country and emphatically agrees with the Chairman and with his conclusion that the "[t]he FCC is approaching a fork in the road" regarding its broadcast regulations.[3] For radio, the Commission can take one of two paths. It can free America's radio broadcasters from the restraints imposed by the 1990s-era Local Radio Ownership Rule. This would give radio broadcasters a fighting chance against digital behemoths like Alphabet, Amazon, Apple, and Meta that now compete directly against radio for listeners and advertising dollars. Or, the FCC can continue a nearly 30-year trend of inaction on radio ownership limitations, and watch as the oldest and most reliable form of electronic media – radio broadcasting – continues to be starved of the capital and scale it needs to survive. If the Commission chooses this path, it should also be prepared to witness the decline and perhaps demise of its long-held tenet of localism.

The Local Radio Ownership Rule is asphyxiating radio broadcasters at a time they are trying their utmost to compete with Big Tech and continue providing free, local, diverse, informative, and lifesaving programming to America's citizens – in the face of intense competition from digital giants that are subject to no ownership restrictions. For the sake of the survival of free, over-the-air radio broadcasting, the Local Radio Ownership Rule must be repealed without delay. Years ago, a more incremental approach such as loosening or eliminating the radio ownership subcaps might have been warranted. But in the words of

[2] Dissenting Statement of Commissioner Brendan Carr, *Political Programming and Online Public File Requirements for Low Power Television Stations*, Notice of Proposed Rulemaking, FCC 24-65 (rel. Jun. 10, 2024).

[3] *Id*.

Chairman Carr, "we are at a break glass moment for America's broadcasters."[4] There is no time to waste. The audio market has dramatically changed even in the two and a half years since the start of the 2022 quadrennial review.[5] This "Delete, Delete, Delete" proceeding offers the perfect opportunity for the Commission to start the process of eliminating the Local Radio Ownership Rule.

The Local Radio Ownership Rule is "outdated in light of subsequent developments," "unnecessary [and] inappropriate,"[6] and a prime candidate for repeal. When Congress enacted the Telecommunications Act of 1996, it deregulated the decades-old ownership rules that had become roadblocks to radio's ability to compete in the larger media environment. It created the Local Radio Ownership Rule, which established market-based limits on the number of radio stations a single entity could own, and eliminated the restriction on the total number of radio stations an entity could own nationally. Importantly, Congress made clear that its enactment of the rule (and other media ownership limits) was not intended to mark the end of the deregulatory progress; in fact, it was only the beginning. Congress expected the Commission to finish the job. Observing the emergence of competition to broadcasting from non-broadcast sources such as cable and the internet, and predicting that the rapid development of competition could soon render the Local Radio Ownership Rule and other media ownership rules obsolete, Congress *commanded* the Commission to *continue* the deregulatory process by relaxing or eliminating the

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[4] Commissioner Carr Statement on FCC's Denial of WADL TV's Application, (rel. Apr. 23, 2024) ("As I have said recently, we are at a break glass moment for America's broadcasters. They are facing unprecedented headwinds and competition, including from their largely unregulated Big Tech competitors. The FCC should be focused on decisions that will make it easier for broadcasters to attract the capital necessary for them to invest, compete, and serve their local communities.")

[5] *See* 2024 Communications Marketplace Report, FCC 24-136 (Dec. 31, 2024) at 179-186 ("2024 Marketplace Report"); *see also* Edison Research, The Infinite Dial 2024, https://www.edisonresearch.com/the-infinite-dial-2024/ ("Infinite Dial 2024").

[6] Public Notice at 3.

rule (and other media ownership restrictions) as the competitive environment continued to develop. *See* Telecommunications Act of 1996, Pub. L. No. 104-104, § 202(h) ("Section 202(h)").

The Commission never did so. As a result, the Local Radio Ownership Rule is stuck in 1996 – the year Motorola introduced the first flip phone,[7] the first DVD player was sold (in Japan),[8] 33.6 Kbps dial-up modems were becoming the new standard,[9] Google was a college research project named "BackRub,"[10] and digital satellite radio[11] and the iPod were still half a decade away.[12]

This inertia is plainly not what Congress intended. If Congress had wanted the Local Radio Ownership Rule to remain static for three decades, it would not have included Section 202(h), which instructs the FCC to *repeal or modify* ownership rules that are no longer in the public interest due to increases in competition. Moreover, if the only "competition" Congress wanted the Commission to consider was competition *within* the radio industry, it would have said so. But "Section 202(h) requires that the Commission consider competition in all forms and

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[7] Jessica Dolcourt, *Legendary Motorola StarTAC: Revisiting the world's first flip phone*, CNET, Jul. 2, 2020, https://www.cnet.com/pictures/legendary-motorola-startac-revisiting-the-worlds-first-flip-phone/ ("On Jan. 3, 1996, Motorola introduced the StarTAC, which was made of black plastic….It was the world's first flip phone and it cost $1,000.").

[8] Britannica, DVD, https://www.britannica.com/technology/DVD.

[9] Digital Business Solutions, How System Requirement for Browsing the Internet Have Changed https://www.gwsmedia.com/articles/how-internet-system-requirements-have-changed.

[10] Version Musuem, History of Google Search, https://www.versionmuseum.com/history-of/google-search.

[11] Leslie Stimson, *Satellite Radio Ready to Rock*, Radio World, Mar. 1, 2001, https://www.worldradiohistory.com/Archive-All-BC-Engineering/Radio-World-Modern/2001/Radio-World-2001-03-01.pdf.

[12] Press Release, Apple, Apple Presents iPod (Oct. 23, 2001), https://www.apple.com/newsroom/2001/10/23Apple-Presents-iPod/

from all sources, without limitation….Congress specifically wanted the Commission to consider competitive forces *outside* broadcasting."[13]

Today there can no longer be a serious contention that radio stations only compete with other radio stations. Radio stations compete – for listeners and advertisers – with a plethora of audio and digital services such as Pandora, Spotify, YouTube, Alphabet, Meta, Apple, Amazon, and SiriusXM – none of which existed in their current forms when Congress passed the Telecommunications Act of 1996. Because of this well-developed competition, and because the Commission has failed to make changes to the rule over time, the Commission should now eliminate the Local Radio Ownership Rule. This "Delete, Delete, Delete" proceeding offers the perfect opportunity for the Commission to begin the process of ridding itself and the radio industry of this outdated and unnecessary rule.

## II. RADIO IS ONE CHOICE AMONG MANY IN TODAY'S AUDIO MARKETPLACE.

The number of Americans listening to streaming audio is at record highs. The percentage of the population that listens to online audio monthly is now 76%, or 218 million listeners, and for the 12-34 age group it is 90%.[14] Online audio streaming services are dominated by huge entities with national and global reach. Podcast listening has grown exponentially and now reaches nearly half the population.[15] SiriusXM has 33 million subscribers and is now

[13] Opening Brief of Petitioner at 25, *Zimmer Radio of Mid-Missouri Inc., et al. v. FCC*, No. 24-1380 (8th Cir.).

[14] Infinite Dial 2024.

[15] *Id*.

introducing a free, ad-supported service to "further the satellite broadcaster's *competition with over-the-air radio*."[16]

These direct competitors vie for radio's listeners and have been successful at pulling audiences away from radio. As the Commission noted in its 2024 Communications Marketplace Report, "the total share of time spent listening to AM/FM radio for Americans aged 13 years and older was 36%, while 20% of their time went to streaming music, 14% went to YouTube, 11% went to podcasts, 8% went to SiriusXM satellite radio, 4% went to owned music, 3% went to TV music channels, 3% went to audiobooks, and 1% went to 'Other.'"[17] In other words, audio listenership is currently 36% AM and FM radio and 64% digital and other sources. A large amount of radio's core listenership has splintered off to the myriad of online and satellite offerings that directly compete with radio.

This trend has been furthered by the ubiquitous adoption of smartphones and the rise of other "smart" technology. Ninety percent of Americans own a smartphone. Ninety-eight million Americans own smart speakers – the most popular of which are marketed by Amazon, Apple, and Google – operators of three of the audio streaming services that directly compete with radio for audience and revenue.[18] Apple Car Play and/or Android Auto are standard equipment in the

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[16] Cameron Coats, *SiriusXM to Broaden Its Free, Ad-Supported Radio Tier*, RadioInk, Jan. 31, 2025, https://radioink.com/2025/01/31/siriusxm-to-broaden-its-free-ad-supported-radio-tier/ (emphasis added). It is noteworthy that RadioInk, a respected radio industry trade publication, recognizes that satellite radio directly competes with broadcast radio. It is also noteworthy that nine years ago, the co-founder and CEO of Pandora "reiterated his company's explicit mission to *replace broadcast radio*…." Brad Hill, *Tim Westergren: Pandora is Replacing AM/FM Radio*, RAIN News, Jun. 6, 2016, https://rainnews.com/tim-westergren-pandora-is-replacing-amfm-radio/ (emphasis added). SiriusXM and Pandora are now commonly owned.

[17] 2024 Marketplace Report at 190.

[18] "[S]mart speakers are produced by companies that also own major audio streaming service platforms. For example, Amazon produces and sells its Echo smart speaker; Google and Apple manufacture and distribute the Google Nest and Apple HomePod smart speakers, respectively." *Id*. at 192.

majority of cars manufactured today, cementing streaming services' position as a direct competitor to radio in cars.[19]

There is simply no basis for the Commission to continue to assert that broadcast radio does not compete against a host of non-broadcast sources. Congress anticipated that strong competition against radio would develop; moreover, Congress expected the Commission to take notice of these changes and act to repeal or modify the Local Radio Ownership Rule. That the Commission has not done so for nearly three decades has helped lead to an increasingly dire situation for America's broadcasters.[20] Radio must be permitted to compete with its outsized digital competition on a more level playing field. The Local Radio Ownership Rule should be eliminated.

## III. RADIO IS ONE CHOICE AMONG MANY FOR TODAY'S ADVERTISERS AND ITS SHARE OF ADVERTISING DOLLARS CONTINUES TO DECLINE.

That broadcast radio is now just one player among many in an integrated audio distribution market is confirmed not just by listenership statistics but also by the current state of local advertising. Digital platforms sell vast amounts of advertising to local businesses and compete with radio for local and national advertising sales. While Google and Meta are huge international corporations, they are also hypercompetitive in local advertising markets and maintain large, aggressive, sales forces that compete directly with radio station sales forces.

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[19] Nick Langan, *Infinite Dial: In-Car Audio is More Digital Than Ever*, RadioWorld (Mar. 21, 2025), https://www.radioworld.com/news-and-business/programming-and-sales/infinite-dial-in-car-audio-is-more-digital-than-ever.

[20] "[T]he fundamental ownership restrictions have remained largely unchanged since the 1990s, imposing undue constraints on broadcasters' ability to innovate and invest in local content. These regulations are a relic of an era when broadcasters were the only electronic media." Letter from the Honorable Richard Hudson, Member of Congress, to the Honorable Brendan Carr, Chairman, Federal Communications Commission (Mar. 28, 2025), https://www.nab.org/documents/newsRoom/pdfs/032825_Media_Ownership_Letter.pdf ("Congressional Letter"). The letter was signed by 73 congressmen.

According to BIA Advisory Services, "2025 will be seen as the 'tipping point' for Digital's Dominance of Local Advertising spending. Digital is expected to take in 52 percent of Local Advertising Spending, with Traditional falling below 50 percent for the first time…."[21] This statistic bears emphasizing: *over half* of all local advertising now appears on digital platforms. By 2029, digital will likely account for 80% of total ad spending.[22] Between 2021 and 2023, "digital advertising spending increased by 21%.[23] It is beyond debate that advertisers see advertising on digital platforms as a substitute for radio advertising. It is also clear that radio broadcasters' share of the advertising pie is shrinking due to the enormous growth of digital.

Beasley knows firsthand how the Big Tech giants compete with radio for local ad dollars, and how the increasing dominance of digital is impacting its local stations' ability to compete. For example:

- **In all of Beasley's markets**, two major fast-food chains have cut virtually all radio advertising and moved their entire budgets to digital. A major national furniture store has done the same. A major cable/internet provider cut 30% of its radio budget and moved it all to digital. The entire automotive industry, traditionally one of radio's strongest customers, has consistently been moving dollars from radio to Google.
- **In Boston:** A regional furniture store moved 60% of radio dollars to digital. A large Toyota dealer moved 75% of its spend from radio to

[21] BIA Advisory Services, *2025's $171B Local Advertising Haul*, Dec. 2024, https://www.bia.com/wp-content/uploads/BIA-2025-Trends-and-Opportunities-Report.pdf.

[22] Brock Munro, Adverting in the US – Statistics and Facts, Publift (updated Mar. 12, 2025), https://www.publift.com/blog/advertising-in-us.

[23] 2024 Marketplace Report at 174.

digital. A large, national clothing retailer moved over $1.2 million in radio spending to digital Big Tech. A major national bank with a strong presence in Massachusetts reduced radio spend by $650K (60%) and moved the dollars to digital.

- **In Philadelphia**: A large national insurance company moved 90% of radio dollars to digital.
- **In Tampa and Ft. Myers**: Several large legal firms have moved branding dollars that went to radio to a direct spend with Google.

These real-world experiences show that advertisers view digital advertising as a competitor and alternative to local radio. While radio broadcasters are not opposed to competition, they should not be subject to regulations that restrain their ability to compete fairly. They should be able to compete with Big Tech on a more even playing field. Repealing the Local Radio Ownership Rule will help ensure a fairer competitive environment.

## IV. REPEAL OF THE LOCAL BROADCAST OWNERSHIP RULE WILL ALLOW BROADCASTERS TO DEVELOP CRITICAL ECONOMIES OF SCALE AND CONTINUE THEIR COMMITMENT TO LOCALISM.

The Local Radio Ownership Rule artificially constrains radio broadcasters from developing critical economies of scale to allow them to better compete with the Big Tech giants. Radio broadcasters incur substantial costs such as infrastructure and equipment acquisition and maintenance, utilities, studios and office space, billing, and traffic. Allowing broadcasters to combine additional stations in a local market would permit them to merge or eliminate redundant fixed costs. Transmission and studio facilities could be combined, leading to significant savings in the cost of utilities, maintenance, production, and technology. Back-office functions such as sales, billing, and marketing could become more centralized, reducing redundant costs across

multiple locations. These cost savings would boost cash flow, allowing broadcasters to enhance local programming and further develop their own digital offerings such as additional streaming options, mobile apps, and personalized content. Local radio stations are uniquely positioned to develop digital brands around matters of local interest such as news, politics, and sports. Allowing radio broadcasters to develop critical economies of scale will enable them to invest more heavily in digital content and platforms that appeal to local audiences, thereby increasing their ability to better compete in the digital space with their much larger competitors. It will also ensure they have sufficient resources to provide critical, life-saving information to local communities during emergencies.

If broadcasters can increase their economies of scale, they will benefit from greater advertiser appeal. With a larger listener base, broadcasters will become more attractive to advertisers. A larger group of stations with diverse formats will provide more targeted advertising opportunities for advertisers, which will help broadcasters compete more effectively with digital competitors that specialize in targeting specific audiences. Format diversity will increase because combining operations will encourage owners to eliminate format duplication, thus bringing greater programming diversity to the market. Larger station groups will have more flexibility in selling advertising inventory, which will increase revenue potential. Broadcasters will also be able to cross-promote content across their different stations, increasing listener loyalty and audience sizes. This will help with increased brand recognition and retention and drive higher listener and community engagement. If broadcasters can increase their economies of scale, their negotiating power will strengthen for items like equipment purchases and music licensing.

Due to the artificial limitations of the Local Radio Ownership Rule, there are often more competitors in a market than the declining share of advertising going to AM and FM support, leading to substantially declining profits. By eliminating the Local Radio Ownership Rule, radio companies could achieve higher profit margins and greater financial stability, allowing them to reinvest in programming and technology. Stronger market operators could revitalize struggling stations, adding program diversity to the market. As a result, more stations will thrive and listeners will ultimately benefit.

Achieving greater economies of scale will enable station groups to enhance their ability to provide local news and information. This was highlighted in a recent letter signed by 73 members of Congress who expressed their support for reforming outdated media ownership rules as a means of protecting broadcast journalism and combatting disinformation. Concluding that addressing the outdated rules "is not just an urgent economic necessity, it is a public service imperative," the members of Congress stated that "[w]hen broadcasters cannot combine or expand operations, they struggle to maintain sufficient newsroom staff and invest in journalism."[24] This is particularly important given the well-documented struggles of the newspaper industry and the growing number of news deserts in many local communities.

Achieving greater economies of scale will ensure that radio stations' commitment to localism is fulfilled and even expanded. Broadcast radio has always prided itself on service to local communities. Radio's digital and satellite competitors do not. While fierce competitors with local broadcasters for listeners and advertising dollars, these multinational corporations do not engage at the local level on issues like public service, community involvement, emergency alerts, and local journalism. Broadcasters are stewards of localism – providing news, information, public service, and entertainment programming in local communities nationwide. If

[24] Congressional Letter.

the Commission is committed to maintaining localism as a core component of media policy and American life, it must modify the Local Radio Ownership Rule. America's radio broadcasters sorely need increased investment. If they are unable to obtain regulatory relief and develop economies of scale sufficient to enable them to access much-needed resources, broadcast localism will suffer.

## V. CONCLUSION.

The Local Radio Ownership Rule is "no longer necessary in the public interest as the result of competition."[25] Moreover, it is "unnecessary [and] inappropriate…[has] outlived [its] usefulness… [and] give[s] rise to harms in light of technological and marketplace developments."[26] Accordingly, it should be identified for elimination as part of the "Delete, Delete, Delete" proceeding and the Commission should act promptly to abolish it.

Respectfully Submitted,

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[25] Section 202(h).

[26] Public Notice at 3.